



United States Department of the Interior

Bureau of Land Management

Miles City Field Office

Billings Field Office

State of Montana

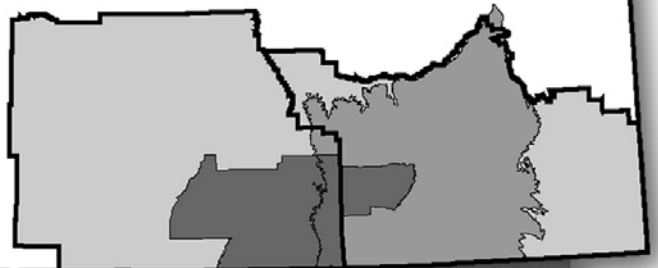
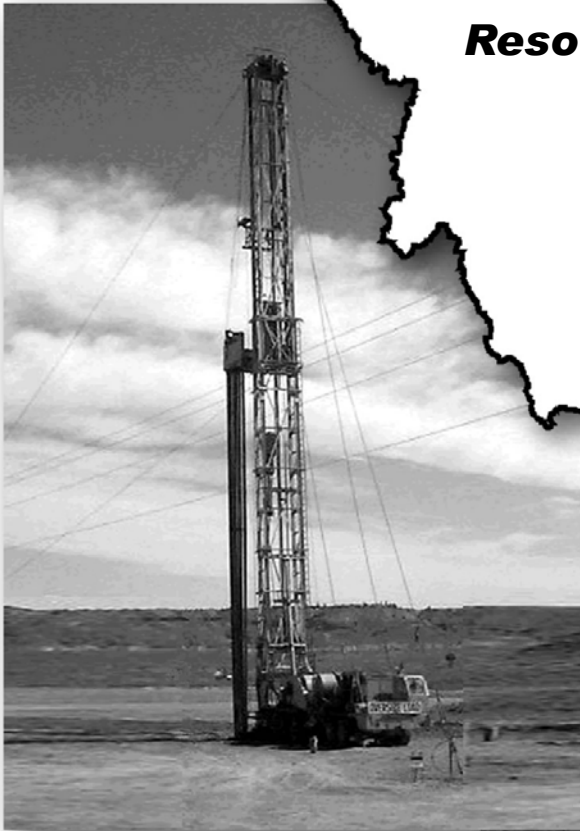
Montana Board of Oil and Gas Conservation

Montana Department of Environmental Quality

January 2003

MONTANA

***Final Statewide Oil and Gas
Environmental Impact Statement
and Proposed Amendment of the
Powder River and Billings
Resource Management Plans***



VOLUME I

The Bureau of Land Management is responsible for the stewardship of our public lands. It is committed to manage, protect, and improve these lands in a manner to serve the needs of the American people for all times. Management is based on the principles of multiple use and sustained yield of our nation's resources within a framework of environmental responsibility and scientific technology. These resources include recreation; rangelands; timber; minerals; watershed; fish and wildlife; wilderness; air; and scenic, scientific, and cultural values.



United States Department of the Interior



IN REPLY TO: 1310

BUREAU OF LAND MANAGEMENT

Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-0940
<http://www.mt.blm.gov/mcfo/>

Dear Reader:

The Bureau of Land Management (BLM), and the State of Montana, Department of Environmental Quality (MDEQ) and Board of Oil and Gas Conservation (MBOGC), have prepared the *Montana Final Statewide Oil and Gas Environmental Impact Statement (FEIS) and Proposed Amendment of the Powder River and Billings Resource Management Plans*. The Bureau of Indian Affairs, Crow Tribe, Department of Energy and the Environmental Protection Agency (EPA) are designated Cooperating Agencies in the EIS. The Northern Cheyenne Tribe declined to become a cooperating agency, but was invited by BLM to participate in all cooperating agency activities. Consultation with both the Crow and Northern Cheyenne tribes has taken place throughout the process to gather their input and concerns. Consultation with the U.S. Fish and Wildlife Service has also occurred. The BLM has also met with individuals from the public, special interest groups, industry, and local governments upon their request.

The FEIS and Proposed Amendment documents and discloses the results of the environmental analysis of anticipated coal bed methane and conventional oil and gas development in the State of Montana. The FEIS amends the State's 1989 *Programmatic Environmental Impact Statement on Oil and Gas Drilling and Production in Montana* to include coal bed methane exploration and production activities on private and state-owned lands. You may view the *Montana Final Statewide Oil and Gas Environmental Impact Statement (FEIS) and Proposed Amendment of the Powder River and Billings Resource Management Plans* on the following BLM, DEQ and MBOGC websites: <http://www.mt.blm.gov/mcfo/>, and <http://www.deq.state.mt.us/>, and <http://www.bogc.dnrc.state.mt.us/>. Copies of the FEIS and Proposed Amendment are also available for public inspection at the following BLM and State offices:

Bureau of Land Management
Montana State Office
5001 Southgate Drive
Billings, Montana 59107

Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301

Board of Oil and Gas Conservation
2535 St. Johns Avenue
Billings, Montana 59102

We recommend that you begin by reading the Summary of the FEIS and Proposed Amendment, which will orient you to the general outline of the document.

The BLM and the State have identified Alternative E as the Preferred Alternative for managing the State and BLM oil and gas activities. The Preferred Alternative provides for responsible management of coal bed methane in consideration of other resources. Although Alternative E is the preferred alternative for the State and BLM, each agency will issue its own Record of Decision to approve management decisions.

In the document, the word "State" refers to the appropriate State of Montana agency(s). State agencies have different jurisdictions, so the term "State" is used generically. For example, "State" can mean the Department of Natural Resources and Conservation or Fish, Wildlife, and Parks.

The Draft EIS (DEIS) was made available for public review and comment from February 15, 2002 through May 15, 2002. More than 18,000 letters, emails, faxes and cards were received. In response to the comments, a variety of changes were made throughout the document, including correction of errors, updating information on the MDEQ's permitting process for produced waters, clarifying and providing more detail on the alternatives, revising some of the models used to predict environmental effects, and providing some additional information concerning biological resources.

The BLM in Wyoming has also issued a FEIS that addresses oil and gas development in the Wyoming portion of the Powder River Basin. More information on the *FEIS and Proposed Planning Amendment for the Powder River Basin Oil and Gas Project* can be found at BLM website <http://www.prb-eis.org>.

To prepare the FEISs, BLM Montana and Wyoming worked cooperatively with the EPA and the Wyoming and Montana DEQs to ensure consistency where appropriate and improve the air and surface water quality impact analysis methods. For example, the agencies agreed to use common analytical assumptions and prepared a joint cumulative impact assessment for surface water based on information provided by the US Geological Survey (USGS). The Wyoming FEIS includes an updated air quality analysis that is consistent with the model used in the Montana FEIS. Both documents include an expanded section on water and air quality monitoring and the roles and responsibilities of the agencies in regards to issuing permits for water discharges and air emissions. Both documents describe in more detail some of the mitigation options available to the permitting agencies to ensure compliance of all activities with the Clean Air Act and Clean Water Act.

Where differences in certain analytical assumptions are still warranted, the rationale for the assumption is better explained in the FEISs. For example, both EISs now use 6.2 gallons per minute as the figure for water production from coal bed methane wells during the time of maximum total field water production, and impacts are calculated based upon this maximum water production rate. However, because the Montana FEIS and Proposed Amendment covers all lands within the state of Montana and since there is data on Montana wells outside the Powder River Basin that indicate such wells may last up to 20 years, the Montana FEIS and Proposed Amendment continues to note a 2.5 gpm average for water production over a 20 year period.

Some reviewers of the Draft EISs suggested the EISs be combined because of their similarities and to better address cumulative effects. The Final EISs are being issued separately primarily because the documents involved different cooperators and co-leads with independent jurisdictions and legal responsibilities. In addition, the Montana FEIS and Proposed Amendment covers the entire state of Montana while the Wyoming FEIS addresses only lands within the Wyoming portion of the Powder River Basin. Finally, most of the information and analyses presented in the documents is specific to the lands and resources within each state, or as is the case for the surface water quality analysis, individual watersheds. To combine such a volume of information would have made the documents impracticable to read and to address issues over such an extensive area would have made it extremely difficult to identify the information relevant to the decisions to be made in each state by each agency.

Some reviewing agencies suggested the BLM issue a Supplemental Draft EIS due to the extensive nature of the comments provided by the reviewing agencies. Largely due to the coordinated efforts of the BLM, EPA, Montana co-leads and Wyoming DEQ to be responsive to public comments, numerous changes were made in the FEISs, as noted above. BLM carefully evaluated the need to issue a supplement and determined that though the FEISs have been greatly improved since the Draft EISs, the agency did not make substantial changes in the preferred alternative. In addition, some information was included in the Final EISs that was not available when the Draft EISs were released. However, BLM determined that there were no significant new circumstances or information relevant to environmental concerns and bearing on the preferred alternative or its impacts. Therefore, the BLM is not required to prepare a supplement to the Draft EISs.

The MBOGC will hold a public hearing on the FEIS. This hearing is expected to take place at the February 2003 regularly scheduled Board hearing in Billings. In addition to the customary meeting notices the Board's meeting schedule is available at its website: <http://www.bogc.dnrc.state.mt.us/>. Subsequent to the public hearing, the Board will issue its own (separate from BLM) Record of Decision.

The BLM Planning Regulations, 43 CFR 1610.5-2, state that any person who participated in the planning process and has an interest which may be adversely affected may file a protest with the BLM Director. A protest may only raise those issues which were submitted for the record during the planning process. The protest shall be filed within 30 days of the date the EPA publishes the notice of receipt of the *Montana Final Statewide Oil and Gas Environmental Impact Statement and Proposed Amendment of the Powder River and Billings Resource Management Plans* in the *Federal Register*. See information pertaining to the BLM protest procedures on the page following the Dear Reader letter.

The decisions associated with the FEIS and Proposed Amendment are not the final reviews and approvals for actions associated with coal bed methane development in Montana. The BLM and the State must conduct the appropriate level of environmental review prior to approving the various components of the plan that involve ground disturbance. At the time such approvals are granted, those decisions will be subject to administrative reviews according to the applicable regulations of the approving agency.

Please retain this copy of the FEIS and Proposed Amendment for future reference. If you have any questions or require additional copies of the document, please call the Coal Bed Methane Hotline at 406-233-3649. We appreciate your interest in the management of the public lands.

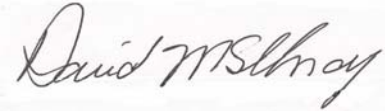
Sincerely,

A handwritten signature in black ink, appearing to read "Jan P. Sensibaugh".

Jan P. Sensibaugh
Montana Department of Environmental Quality

A handwritten signature in black ink, appearing to read "Tom Richmond".

Tom Richmond
Montana Board of Oil and Gas Conservation

A handwritten signature in black ink, appearing to read "David McIlroy".

David McIlroy
Bureau of Land Management

BLM Protest Procedures

All protests must be sent in writing to:

Regular Mail

Director, Bureau of Land Management
Attention: Ms. Brenda Williams, Protest Coordinator
P.O. Box 66538
Washington D.C. 20035

Overnight Mail

Director, Bureau of Land Management
Attention: Ms. Brenda Williams, Protest Coordinator
1620 L Street, N.W., Room 1075
Washington, D.C. 20036
[Phone: 202-452-5045]

Protests filed late, or filed with the State Director, or Field Manager, shall be rejected.

There is no provision for any extension of time for the 30-day protest period provided in the planning regulations.

The resolution of protests is the responsibility of the Director of the BLM whose decision is the final decision of the Department of the Interior. The decision will be in writing and set forth the reasons for the decision. The decision will be sent to the protesting party by certified mail, return receipt requested.

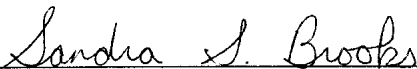
The Planning Regulations at 43 CFR 1610.5-2, state that the protest shall contain:

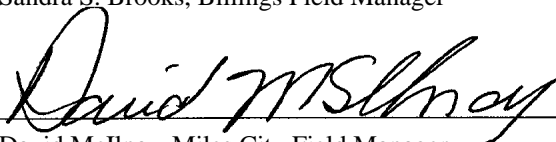
- 1) The name, mailing address, telephone number, and interest of the person filing the protest.
- 2) A statement of the issue or issues being protested.
- 3) A statement of the part or parts of the plan being protested.
- 4) A copy of all documents addressing the issue or issues that were submitted during the planning process by the protesting party or an indication of the date the issue or issues were discussed for the record.
- 5) A concise statement explaining why the State Director's decision is believed to be wrong.

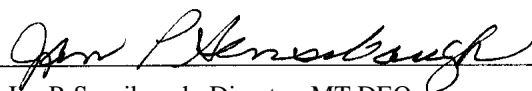
**FINAL
STATEWIDE OIL & GAS
ENVIRONMENTAL IMPACT STATEMENT
AND
PROPOSED AMENDMENT OF THE POWDER RIVER AND BILLINGS
RESOURCE MANAGEMENT PLANS**


U.S. Department of the Interior
and
State of Montana


December 23, 2002

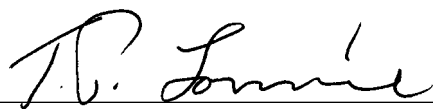
Recommended by: 
Sandra S. Brooks, Billings Field Manager

Recommended by: 
David McIlroy, Miles City Field Manager

Recommended by: 
Jan P. Sensibaugh, Director, MT DEQ

Recommended by: 
Thomas P. Richmond, Administrator, MBOGC

Approved by: 
Dave Ballard, Chairman, MBOGC

Approved by: 
Thomas P. Lonnie, Acting State Director, Montana BLM

Final Statewide Oil and Gas Environmental Impact Statement and Proposed Amendment of the Powder River and Billings Resource Management Plans

Lead Agencies: U.S. Department of the Interior, Bureau of Land Management (BLM); and the State of Montana, Board of Oil and Gas Conservation and Department of Environmental Quality.

Type of Action: Administrative

Jurisdiction by Agency (Planning Area):

- *State of Montana:* Statewide.
- *BLM:* Powder River RMP Area—Powder River, Carter, and Treasure counties and portions of Big Horn, Custer and Rosebud counties. Billings RMP Area—Carbon, Golden Valley, Musselshell, Stillwater, Sweet Grass, Wheatland, and Yellowstone counties and the remaining portion of Big Horn County. The planning area for the BLM contains 1,506,011 acres of federally managed surface, and 5,009,784 acres of federal mineral estate.

Abstract: The BLM and the State of Montana analyzed alternative approaches for managing oil and gas resources in this Final Environmental Impact Statement (EIS). As required by the National Environmental Policy Act (NEPA), the EIS is intended to “provide full and fair discussion of significant environmental impacts, and shall inform decision makers and the public of the reasonable alternatives which would avoid or minimize adverse impacts or enhance the quality of the human environment” (43 Federal Register 55994, Section 1502.1).

Alternative E is the Preferred Alternative. This alternative would amend the Resource Management Plans and allow coal bed methane (CBM) exploration and development while minimizing impacts on environmental resources. The Preferred Alternative, as described in this Final EIS, provides a comprehensive framework for managing oil and gas resources on these public lands.

Four other alternatives were analyzed to evaluate different CBM exploration and production scenarios. Alternative A, the No Action Alternative, would continue existing management. Alternative B would allow CBM development while emphasizing protection of soil, water, air, vegetation, wildlife, and cultural resources. Alternative C would emphasize CBM development with minimal environmental restrictions. Alternative D would encourage CBM exploration and development while maintaining existing land uses.

All five alternatives are discussed in detail in Chapter 2. Chapter 3 presents the existing environment that would be affected by oil and gas development. Chapter 4 describes the impacts from each of the alternatives in terms of their impacts on the following resources:

- *Physical Resources:* Air Quality, Geology and Minerals, Hydrology, Soils, Solid and Hazardous Wastes, Vegetation, Visual Resources, Wilderness Study Areas, and Wildlife and Aquatics
- *Tribal, Historical, and Cultural Resources:* Cultural, Indian Trust Assets, and Paleontology
- *Human Resources:* Lands and Realty, Livestock Grazing, Recreation, and Social and Economic Resources

Further information regarding this Final EIS is available from the contact below or at the BLM website (<http://www.mt.blm.gov>). The BLM intends to issue a Record of Decision no sooner than 30-days after the Notice of Availability for this EIS published in the *Federal Register*.

Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, MT 59301
Telephone: (406) 233-3649